

6 November 1959

MEMORANDUM FOR : Chief, Monetary Branch

SUBJECT : Management of Funds

~~CONFIDENTIAL~~

25X1 1. Following our conversation, the writer visited [] Deputy Chief Disbursing Officer to explore the feasibility of changing the present imprest fund system for advances to Cashiers in order to obtain greater flexibility through more rapid turn-over of funds available from the Treasury. This was a follow-up of a conversation with [] wherein it was determined that the present system provides for withholding the information as to the turnover each month from all non-CIA personnel. Under the present system the Treasury records reflect in a summary account the amount in aggregate of funds advanced to Cashiers; as the reimbursement vouchers bring the Cashiers' advance back to the prior balance, there is no change in the funds advanced aggregate amount and consequently no change in the records of the Treasury.

25X1 2. The writer stated to [] that it is our desire to explore the different methods open to us with a view towards better management of funds available. (Whereas the present system (reimbursements) provides the security desired, it also includes an Agency internal problem-mechanic in the time required to process a reimbursement voucher through the approval channel. Thus the internal process makes it mandatory that we maintain a larger balance than would be necessary were we able to "obtain funds" within twenty-four hours through a revision of the reimbursement method.)

3. The method was discussed whereby all replenishments to Cashiers would be on the advance basis with the reimbursement voucher being applied to the advance. However, it was determined that such a system would result in the total of funds used being reflected on Treasury records.

25X1 4. [] suggested it may be possible, with GAO concurrence, to establish a fund of [] by transfer from the checking account of the Chief Disbursing Officer to the Agency. The fund would be a static figure on Treasury records in that no entries would be made in it other than the opening and closing figures. The fund would be reduced as advances are made to Cashiers and reimbursed from the appropriation on the basis of reimbursement vouchers with accounting entries restricted to the Agency's records.

25X1 5. The conversation ended on the promise by [] to explore the method described in the preceding paragraph and advise us of his findings.